

**OCC Supports National Effort to Limit Incentives  
for Electric Transmission Line Construction to Reasonable Levels**

*March 8, 2012* – The Office of Consumer Counsel (OCC) recently joined state utility regulators, consumer advocates, and others in a letter asking the Federal Energy Regulatory Commission (FERC) to reduce the excessive incentives currently provided for the construction of high-voltage transmission lines.

The letter, which was signed by 35 organizations, expresses a variety of concerns, including that (1) utilities are being granted large incentives to construct transmission lines that they are already obligated to build, and (2) that the financial returns offered to the utilities for construction of projects are excessive given the low level of risk to the utilities once the projects are built. OCC and the other signatories also expressed concerns that the financial structure approved by FERC not only fails to provide sufficient incentives to limit cost overruns during construction of transmission lines, but actually rewards cost overruns by providing the same level of financial return for the excess as exists for the originally budgeted amount.

The letter was filed in FERC docket RM11-26-000, which FERC opened in order to revisit these issues. While OCC has been disappointed in the amount of the incentives provided by FERC to transmission lines, OCC appreciates that FERC is keeping an open mind about making adjustments.